

Message Text

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ACTION EB-06

INFO OCT-01 IO-04 ISO-00 AF-04 ARA-06 EA-06 EUR-08 NEA-06

RSC-01 ABF-01 OIC-01 AGR-05 CEA-01 CIAE-00 COME-00

DODE-00 FRB-01 H-01 INR-05 INT-05 L-01 LAB-01 NSAE-00

NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-01 TAR-01

TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 SWF-01 FEA-01

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TAGS: AORG ETRD GATT UNCTAD

SUBJECT: GATT BUDGET COMMITTEE MEETING

REF: GENEVA 6135

BEGIN SUMMARY. TOTAL BUDGET REDUCED, BUT EXPENDITURES
FOR MTN LEFT INTACT. WG FORMED TO STUDY SALARIES AND
ALLOWANCES. END SUMMARY.

1. DURING OCTOBER 7-11 MEETING GATT COMMITTEE ON
BUDGET, FINANCE, AND ADMINISTRATION, DIRECTOR GENERAL
OLIVER LONG SAID 1975 BUDGET PROVISIONS FOR MULTILATERAL
TRADE NEGOTIATIONS (MTN) WERE AT VERY LIMITS TO ACCOMMODATE
INTENSIVE NEGOTIATIONS. LONG SAID HIS RECENT WASHINGTON
VISIT LEFT HIM CONVINCED U.S. WOULD HAVE TRADE BILL BY
END NOVEMBER. BECAUSE MTN WOULD HAVE TO BE COMPRESSED
INTO SINGLE YEAR OF 1975, PROSPECT WAS FOR MANY SIMULTA-
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NEOUS NEGOTIATING SESSIONS. LONG ALSO SAID PROVISION

FOR 1975 SESSION OF CONTRACTING PARTIES SHOULD REMAIN LARGE BECAUSE CPS, IN VIEW OF CURRENT DEVELOPMENTS IN WORLD TRADE, "WILL HAVE TO STRUGGLE TO KEEP THE HOUSE STANDING."

2. AUDITED ACCOUNTS FOR 1973 AND FINANCING OF BUDGETS TO END OF 1974 APPROVED WITH LITTLE DISCUSSION, EXCEPT FOR TRANSFER OF HALF OF BUILDING FUND CONTRIBUTION TO ALLOW REDUCTION OF 1975 BUDGET (SEE PARA 3).

3. 1975 BUDGET. TOTAL BUDGET REDUCED FROM SWFR 29,472,000 TO 28,267,000. U.S. CONTRIBUTION (14.45 PERCENT) REDUCED FROM SWFR 4,160,200 TO 3,805,400. INCREASES FOR SALARIES AND WAGES AND COMMON STAFF COSTS IN ACCORDANCE WITH MEASURE NOW BEFORE THE UNGA TOTAL SWFR 1,370,000. DECREASES FOR 31ST CP SESSION SWFR 10,000; PRINTING, 15,000; STAFF ASSISTANCE FUND, 20,000; UNFORESEEN EXPENDITURES 30,000; CONTRIBUTIONS TO BUILDING FUND, 2,500,000. (NOTE: ONLY HALF OF 1974 RPT 1974 BUILDING FUND USED BECAUSE OF DELAY IN MOVING TO OLD ILO BUILDING. THUS, REMAINING HALF WAS HELD OVER TO 1975 AND FULL 2,500,000 FRANC 1975 PROVISION WAS ELIMINATED. ALSO, STAFF ASSISTANCE FUND FOR 1975 ELIMINATED BY TRANSFERRING 20,000 FRANCS FROM 1974 BUDGET.)

4. JTN EXPENDITURES. PER INSTRUCTIONS HAND-CARRIED BY IO/OIC OFFICER BASS, U.S. (SPRUCE) STATED IMPORTANCE OF LEAVING INTACT ALL ITEMS AFFECTING MTN. NO CUTS WERE MADE IN PART IV - TRADE NEGOTIATIONS.

5. ITC. U.S. UNABLE OPPOSE \$170,000 EXPENSES FOR NEW ITC POSITIONS RESULTING FROM RECENT ADMINISTRATIVE PROPOSALS, AS THIS NOT INCLUDED IN GATT BUDGET. ITC REP. (RISON) SAID EXPENSES WILL BE BORNE INSTEAD OUT OF ANNUAL UNDP OVERHEADS. U.S. STATED NEW ADMINISTRATIVE ARRANGEMENTS FOR ITC HAD BEEN ADVERTISED AS REQUIRING NO NEW POSITIONS, THAT INTERESTED GOVERNMENTS SHOULD HAVE BEEN KEPT INFORMED OF THIS SURPRISING NEW DEVELOPMENT, THAT INTERESTED GOVERNMENTS OBJECTED TO THIS WAY OF PROCEEDING, AND LIMITED OFFICIAL USE

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THAT GOVERNMENTS WOULD ULTIMATELY HAVE TO PAY THE COSTS THROUGH OTHER CHANNELS. WE SUPPORTED BY FEDERAL REPUBLIC OF GERMANY, FRANCE, UNITED KINGDOM, BRAZIL, AND SWEDEN. NO MEMBERS OPPOSED; COMMITTEE AGREED MATTER WAS NOT FAULT OF ITC.

6. GATT PROMOTION SYSTEM. COMMITTEE RECOMMENDED FUTURE REGRADINGS BE LINKED TO INCUMBENT WHERE POSSIBLE

TO CONTROL THE GENERAL ESCALATION OF GRADES. ALSO
RECOMMENDED A SYSTEM OF COMBINED GRADES BE APPLIED
WHERE APPROPRIATE, I.E., P.1/P.2 INSTEAD OF P.2, FOR
EXAMPLE.

7. SALARIES AND ALLOWANCES. D.G. LONG PROPOSED
"TECHNICAL ADJUSTMENT" FOR GATT SALARIES TO RELIEVE
PROBLEM OF SALARY FLUCTUATION WITHOUT LEAVING U.N.
COMMON SYSTEM. LONG SAID U.N. PRACTICE HAS BEEN
ESTABLISH AN ACCOUNTING RATE OF EXCHANGE FOR THEIR
OWN BUSINESS AND THUS PROPOSED GATT SALARIES BE
CONVERTED AT SAME CONSTANT EXCHANGE RATE FOR ONE FULL
YEAR. IN D.G.'S NOTE (SPEC (74)42), PARA 4, IT IS
PROPOSED TO CONVERT EDUCATION GRANTS AT 1971 EXCHANGE
RATE, AS GENEVA SCHOOLS NOW MORE EXPENSIVE THAN
\$1,500 CEILING. GATT STAFF ASSOCIATION ASKED SALARIES
BE EXPRESSED IN SWISS FRANCS. WITHOUT COMMENTING ON
MERITS OF SPECIFIC PROPOSALS, U.S. SAID OUR POSITION
IS FIRM THAT ALL SOLUTIONS MUST BE COMPATIBLE WITH
U.N. COMMON SYSTEM PRACTICES IN GENEVA. FRG, FRANCE,
U.K., OTHERS STATED SAME POSITION. COMMITTEE AGREED
TO FORM WORKING GROUP TO COMMENT ON CONSISTENCY
OF VARIOUS PROPOSALS WITH COMMON SYSTEM. ACTION
REQUESTED: WG WILL MEET IN EARLY 1975; GUIDANCE FOR
U.S. POSITION WOULD BE APPRECIATED BEFORE END-1974 SO
WE CAN COORDINATE WITH OTHER INTERESTED GOVERNMENTS.
DALE

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